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COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

AT RICHMOND, June 28, 2002

JOINT PETITION OF

CASE NO. PUA-2001-00080

ADELPHIA BUSINESS SOLUTIONS OF VIRGINIA, LLC,

ACC TELECOMMUNICATIONS OF VIRGINIA, LLC,

and

ADELPHIA BUSINESS SOLUTIONS INVESTMENT EAST, LLC

For approval to transfer assets as part of pro forma corporate restructuring

DISMISSAL ORDER

On January 8, 2002, Adelphia Business Solutions of Virginia, LLC (“Adelphia of Virginia”) ¹, ACC Telecommunications of Virginia, LLC (“ACC Telecom”), and Adelphia Business Solutions Investment East, LLC (“Adelphia East”), (collectively, the “Petitioners”) completed a joint petition with the State Corporation Commission (“Commission”) requesting approval, under the Utility Transfers Act, of a transfer of assets of Adelphia of Virginia from Adelphia of Virginia to ACC Telecom and Adelphia East. By orders dated March 5, 2002, and May 7, 2002, the Commission extended the time for review of issues in this case through July 7, 2002.

¹ By letter dated June 20, 2002, the Petitioner notified Staff that on June 18, 2002, Adelphia Virginia filed a voluntary petition for reorganization under Chapter 11 of the United States Bankruptcy Code in the Southern District of New York. Staff has contacted Counsel for Adelphia Virginia regarding the need to provide the Commission with notice of the Bankruptcy filing pursuant to 20 VAC 5-423-70.

Adelphia Business Solutions of Virginia, LLC (“Adelphia Virginia”), a Virginia limited liability company, is a wholly owned subsidiary of Adelphia Business Solutions, Inc. (“ABSI”) ². Adelphia Virginia holds certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services in Virginia.

ABSI, a holding company only, provides telecommunications services through operating company affiliates. ABSI and its affiliates are currently in the process of building high speed, high capacity, fiber optic networks to provide a package of services, including local and long distance telephone and data services to customers in Virginia and throughout the United States.

ACC Telecommunications of Virginia, LLC (“ACC Telecom”), a Delaware limited liability company, is a wholly owned subsidiary of Adelphia Communications Corporation (“Adelphia”). Adelphia, a publicly traded Delaware corporation, is currently the majority owner of ABSI.

Adelphia Business Solutions Investment East, LLC (“ABS East”), is a Virginia limited liability company. ABS East is not currently certificated in any jurisdiction. Adelphia Virginia, ACC Telecom, and ABS East are collectively referred to as the “Joint Petitioners.”

ACC Telecom and ABS East have been formed to assume the certificates and operations of certain ABSI operating companies as part of an overall corporate restructuring effort. The restructuring has been undertaken to streamline the operations and strengthen the financial condition of ABSI operating companies.

The Joint Petitioners seek approval of two transactions arising as part of an overall plan to restructure the operations and improve the financial strength of the operating companies of ABSI. Under the proposed transactions, ABSI is transferring certain of Adelphia Virginia’s

² On March 27, 2002, ABSI filed for and received Chapter 11 protection under federal bankruptcy laws in the U.S. Bankruptcy Court for the Southern District of New York.

operations and assets in Virginia to ACC Telecom and ABS East. Under the first transaction, Adelphia Virginia proposes to transfer to ACC Telecom all of the assets associated with its Richmond and Shenandoah networks. Under the second transaction, Adelphia Virginia proposes to transfer all of its assets associated with its Norfolk network to ABS East.

Upon completion of the transactions, ACC Telecom and ABS East will assume the customers and operations associated with the transferred assets. In Virginia, ACC Telecom will operate as “Adelphia Business Solutions” and will contract with Adelphia Virginia to provide customer service, billing, and other services in connection with ACC Telecom’s operations. ABS East will be managed by the team that is currently operating Adelphia Virginia.

On March 27, 2002, ABS East’s parent companies, including ABSI and Adelphia Business Solutions Operations, Inc., filed for and received Chapter 11 protection under federal bankruptcy laws in the U.S. Bankruptcy Court for the Southern District of New York. On April 26, 2002, Joint Petitioners filed a motion to amend their application. In that Motion, Joint Petitioners seek to withdraw ABS East from participation in the case and remove all references to ABS East from the joint petition without altering the proposed transaction between Adelphia Virginia and ACC Telecom. Due to the withdrawal of ABS East from participation in the proposed transfer, the assets associated with the Norfolk network will not be transferred, and, therefore, not all assets of Adelphia Virginia will be transferred.

THE COMMISSION, upon consideration of the petition and representations of the Joint Petitioners and having been advised by its Staff, is of the opinion and finds that the transaction does not constitute a transfer of control pursuant to § 56-88.1 of the Code of Virginia and, therefore, does not require our approval.

Accordingly, IT IS ORDERED THAT:

- 1) Pursuant to §§ 56-88.1 and 56-90 of the Code of Virginia, approval of the transfer of assets of Adelphia Virginia to ACC Telecom and Adelphia East is hereby dismissed.
- 2) There appearing nothing further to be done in this matter, it is hereby dismissed.